

CITY COUNCIL, CITY OF LODI
CITY HALL COUNCIL CHAMBERS
AUGUST 8, 1962

An adjourned meeting of the City Council of the City of Lodi was held beginning at 7:00 p.m. on Wednesday, August 8, 1962. Councilmen Brown, Culbertson, Dow, Katzakian (Mayor) and Ullmann present.

Also present: City Manager Graves, Planning Director Rodgers, City Attorney Mullen and Administrative Assistant Carlton.

M. O. RAY
HAM LANE DEED

City Manager Graves brought up the matter of the deeds for street access that were necessary before a building permit could be issued to Mr. M. O. Ray for the construction of a convalescent home on his property on Ham Lane just south of the extension of Sylvia Drive. The deed for the Sylvia Drive right of way was only for 20 feet which is not half of the future street width requirement. It was recommended that the Ham Lane deed be accepted but the Sylvia Drive deed be refused as substandard. Ham Lane will give Mr. Ray street access via the already accepted Vine Street and allow him to get a building permit. Planning Director Rodgers commented that extension of Sylvia Drive from Fairmont Avenue to Ham Lane would not necessarily improve the traffic flow on those streets and therefore the development of Sylvia Drive would be largely for the benefit of the abutting property owners and should be dedicated and improved by them. On the motion of Councilman Brown, Culbertson second, it was moved to accept the deed from Mr. M. O. Ray for one half the width of Ham Lane abutting his property for the 381 feet south of the extension of Sylvia Drive.

CITY WELL #12
NEGOTIATIONS

City Manager Graves reported that negotiations for a well site have been underway with Mr. Ed Barbera for over two years. The delay has mainly been due to the unsettled plans for a shopping center on the property. Due to recent water system pressure problems the negotiations have been intensified but still no agreement has been reached on a site acceptable to both parties. The present proposal favored by Utility Superintendent McLane is to locate the well behind the existing service station on the Southeast corner of Kettleman Lane and West Lane (Hutchins Street). It would be an underground installation with access gained by three manholes. This site is presently unacceptable to Mr. Barbera. A letter from Mr. and Mrs. Barbera, dated August 8, 1962, stated their contention that the most logical well site was in the southeast or southwest corner of their property. City Manager Graves explained that the southwest corner site mentioned was 1000 feet south of the City's proposed site and it would cost an extra \$7,000 just for the water pipe to reach the well. Other problems of a storm drain line for flushing out the sand trap, an easement for the pipe, power lines, and access rights to the property could also prove costly. The storm drain line alone was estimated to cost an extra \$5,000. Councilman Dow inquired about the water pressure problem at the Stokely-Van Camp cannery. Mr. Graves indicated that for the time being the

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pressure has been improved. The fact remains that a pump failure at this critical time could seriously impair our water supply. After further discussion of this problem and the possibility of getting the new well operational in time to increase the water pressure in the system during the peach and tomato canning season, Mayor Katzakian urged the Council to postpone action pending further negotiations for a well site as close as possible to Kettleman Lane. Hearing no objections, action on the matter was postponed to the next meeting.

SPECIAL PUBLIC
HEARING ON THE
CAPITAL OUTLAY
PROGRAM

Mayor Katzakian welcomed the citizens present to the special public hearing on the Capital Outlay Program. He then discussed the history of the Capital Outlay Program with particular attention to the master plans developed by consultants for Lodi's storm drainage system, the sanitary sewer system, the electric distribution system, and the civic center. The Mayor also briefly reviewed the projects included in each of the nine issues on the June 5th ballot. The 1954 Master Plan as updated by the Planning Commission was mentioned as another basis for the Capital Outlay Program. City Manager Graves commented that it was the growth envisioned in the Master Plan that alerted the City Council to the need to plan major capital expenditures for municipal services in order to keep up with the rapidly expanding population. The various consultants' plans were reviewed and a \$9,695,000 ten year Capital Outlay Plan was developed. The firm of Stone and Youngberg were retained to analyze Lodi's financial position and recommend the best means of funding the program. They recommended a \$5,279,000 five year Capital Outlay Program to be financed by General Obligation bonds. Councilman Culbertson added the fact that additional less formal studies had been made of the City's need for additional park space, a new library, and a new firehouse. He explained that the maximum tax increase that would have been necessary with bond financing for the Capital Outlay Program would have been eighteen cents or just ten cents if the Library alone had been defeated. City Manager Graves commented that the \$1.4 million bond program planned for 1962-63 could have easily been financed without a tax increase. Without bond financing a \$420,000 program is all the City can afford.

Mr. Mike Travis, 518 Sturla, stated that he was impressed with the amount of consulting advice obtained. He felt that the newcomers who cause Lodi's growing pains have to solve the problems they create. A promotional effort is needed to get these people to register and vote for the needed improvements. Mr. L. D. Tonn, 42 Pinkerton Avenue, described his experience as a member of the Streets Subcommittee of the Citizens' Study Committee. He asked why the Committee didn't get out and put the program across. He opined that by throwing everything into the hopper the controversial issues killed off the support for the whole program. He felt the program would have passed without the inclusion of the two controversial issues — the library and storm drainage. Mr. Ira C. Shank, 620 Palm, concurred with Mr. Tonn in the view that the storm drainage issue shouldn't

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have been lumped in with the other non-controversial projects. He stated that the issues receiving a relatively high percentage of 'yes' votes should be put back on the ballot. Mr. Dan Geringer, 613 Tamarack Drive, asked for an explanation of the use of the \$700,000 surplus. City Manager Graves answered that the Capital Outlay Reserve Fund would have been part of the financing for the Capital Outlay Program if the bonds had been approved. He stated, however, that the use of this money for a small part of the five million dollar program before the financing of the balance is assured would be folly-it should be retained as a rainy day fund. Mr. Geringer asked what future growth in population, revenues and expenditures were expected. Mr. Graves indicated the approximate 1,000 person per year population growth trend is paralleled by our operating expenditure and revenue projections. Thanks to Lodi's utility systems revenue the expected revenues do not grow slower than our expenditures. Mayor Katzakian explained that since the library is financed from separate funds it would take an eight cent tax rate to finance \$475,000 in library bonds. The balance of the \$5 million program could be funded with only a ten cent tax rate increase because of the existence of the Capital Outlay Reserve and the \$200,000 per year of surplus revenue over operating expenditures that is now being used for the Capital Outlay Budget on a pay-as-you-go basis. Mr. C. C. Baumbach, 929 S. Central Avenue, explained his opinion that the \$5 million total was too large. He indicated that the experience of the former North Dakota residents during the 1930's made the older Lodi residents afraid of bonded indebtedness. He advised that Lodi make the needed improvements as they can afford it by pulling in the belt on operating programs across the board. He felt that the storm drainage issue didn't defeat the whole program and that the others failed on their own. We can get along without new parks and a new library. He advised a stepped up people-to-people approach to persuade the people to vote for the improvements we have to have. Dr. Thomas J. Carleton, 325 West Lockeford Street, stated his feeling that the people didn't understand the financing of the program and what it might cost them if they didn't pass the bonds. There just was not enough selling done. He related his experience as chairman of the sanitary sewer subcommittee of the Citizens' Study Committee. He was convinced that all of the issues were needed except the library.

Councilman Dow posed the question as to the consequences of pulling in our belts and just getting along without any provision for future needs. He observed that we are already barely getting along with a low pressure problem with our water system. The failure of one pump would be embarrassing and economically damaging. In the past year or two it has also been evident that we are just getting along in our electrical system and have had outages and low voltage problems. Where do we pull in the belt? Mr. Allen J. O'Hara, 431 West Elm Street, expressed the opinion that the 50% of the registered voters who didn't vote would probably vote "no"

35% 34

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anyway. Mayor Katzakian disagreed by stating that the "no" voters always turn up at the polls. Mr. O'Hara indicated that it was an emphatic defeat that must be reckoned with. It was a case of too much too soon. Naturally we would like to have the whole program approved but now we have nothing. There had better be some alternative means for disposing of our storm drainage.

City Manager Graves reviewed the need for the projects included in each of the nine issues. He mentioned the 1954 attempt to construct a Hall of Justice and how the imminent prospect of a municipal court replacing our present justice court forces us to act soon on the Civic Center. The National Board of Fire Underwriters' views regarding Lodi's need for a new West side fire station were explained. Already we are two pieces of equipment behind their requirements because we have no place to house them. Storm drainage relief is a crucial need in new and old areas of town but if the public desires it we can live with flooding. Our street improvement program is based on the worst present street deficiencies and could be much larger than it is. Nothing is included for another underpass. The need for major improvements to our water system are very evident at this time. The water consultant's five year program was cut from \$900,000 to \$614,000 in order to just get by but projects were deferred not eliminated. Most of the expansion cost of our Sanitary Sewage Treatment facilities were scheduled for the second five year program. The extensive use of Lodi Lake Park makes its expansion and development important. The two new park sites in the program are in the master plan for newly developing areas of the City. We can't acquire park sites after the land has developed. The automatic park sprinkler systems are included strictly as a manpower saving measure. Our present Corporation Yard is a very old and inadequate facility. The Utility Department needs the space for a 12KV substation soon which will force a move to the new site already acquired at the sewage treatment plant. An Eastside firehouse will be needed to replace our old Main Street station and provide better fire protection to the high value industrial and commercial areas east of Cherokee Lane. The central business district fire alarm system would better protect this high value area. We aren't necessarily trying to improve our fire insurance rating but we would like to stay as good as we are. The library issue was submitted to the voters for their opinion based on studies prepared for the Library Board even though the Citizens' Committee did not consider it a critical need at this time.

Mr. Stanley Laidlaw, 719 Palm Avenue, stated that there was too much on the ballot at one time. The \$5 million figure scared everybody. People will vote for the essentials such as sewerage, drainage, streets and water but not the parks or the library. He feels the open ditch solution to our storm drainage problem is out. He believes that the ditch couldn't help but have water in it all year long. You're going to have to cover any big ditch. City Manager Graves explained how it

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would cost \$2 million for a seven foot pipe line to White Slough to handle just the storm waters we now have. We would need a second \$2 million pipe line within five years and a third such pipe in ten years. Mr. Laidlaw reiterated his stand against an open ditch. Councilman Brown then reviewed each of the issues as he saw them and asked the audience what should be done about them in the future. Mr. Merle E. Warner, 910 West Park Street, expounded on his opposition to the drainage ditch proposal. He preferred pipe to a ditch no matter what the price. He urged the Council to make do for today and forget about tomorrow. Mr. Charles Ferdun, 351 Del Mont Street, asked why the Freeway drainage ditch was so deep. City Manager Graves answered that in order to drain the Garfield Street area it was necessary to dig that ditch 12 feet deep. Garfield Street is at a lower elevation than the Freeway Bypass. Mr. Phillip H. Muller, 1170 Roper Avenue, asked about the possibility of increasing water rates and installing water meters to finance part of the program and conserve on water. Mr. Robert D. Houston, 824 Mariposa, asked if a \$1.00 per month increase in the water rate wouldn't finance the whole water program. He admitted that it could be done more reasonably with bond financing. City Manager Graves stated that the ten year water program alone came to about \$1.5 million dollars. Mrs. Betty Robertson, 1437 Lake Street, expressed her opinion that Lodi's low water rates, low taxes, and the lack of bonded indebtedness have been selling points to attract people and industry to Lodi. She felt the "Civic Center" title on measure 'B' was misleading. Mr. Blake Miller, 401 West Locust, asked when Lodi would require a supplemental water source. City Manager Graves indicated that Lodi's water supply is adequate but that through membership in the Northern San Joaquin Water Conservation District we were in line for water from the South Folsom Canal project. Since this water would require expensive treatment it is hoped that our deep well source will continue to meet our domestic water requirements. Mr. Miller supported a \$2.7 million bond issue that includes just the five top vote getters. Storm drainage shouldn't be on a bond issue until the other measures are approved. An unidentified member of the audience asked what was done with the sanitary sewage service charge. City Manager Graves replied that it is used to cover the operational costs of the system. Increased service rates could not finance the ten year program on a pay-as-you-go basis. Mr. Cornelius J. Deasy, 624 W. Turner Road, voiced the opinion that the vote was a mandate from the people to pay as you go, which has proved unfeasible during the past twelve years. He reviewed the efforts to study the Capital Outlay Program and publicize the bond issue. He noted the fact that the Library and the Storm Drainage issues both lost by a margin of 2 to 1. He urged the Council to take these items out of the program and present the people with a package deal on the rest.

City Manager Graves explained the higher costs of a pay-as-you-go capital outlay program. Inflation increases the price of the labor, land, and materials that go into the projects you defer.

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This more than offsets the interest costs on bonds, partly because by getting the improvements now we save on the excess manpower required to operate in obsolete facilities. We are talking about a \$250,000 annual surplus of revenue over operating expenditures that can be used to pay the annual bond service costs on \$5 million in capital improvements or it can be used to construct \$250,000 in pay-as-you-go improvements. If we cut down the bond package the excluded programs will continue to cause problems and require a large portion of the \$250,000 for urgent projects. Mr. James Atkinson, 316 West Elm Street, disagreed with the view that the bond issue was presented as an alternate to pay-as-you-go financing. He feels the public is not ready to look ahead ten or even five years. What is needed is a program just for the next eighteen months. Councilman Culbertson expressed his disappointment with the results of the bond issue as well as the views expressed by the public at this meeting. It took four years to put together the economically feasible package rejected by the voters June 5th. He feels that now is not the time to ask detailed questions or to argue about the projects. He wished that the public would investigate the need for these things before forming an opinion. He stated that we have to have the services before we can attract more industry but industry also looks at schools, parks and the library service provided for their employees. Mr. W. A. Radtke, 410 Daisy Avenue, questioned the authority of the City Council to raise the Library tax rate twelve cents. It was explained that in the past only eighteen cents of the maximum allowable thirty cent library tax has been levied. He also asked why we want to attract new industries if we have a problem serving the ones we've got with an adequate water supply. He suggested one or two emergency standby wells to handle this sort of situation. Mrs. Ella Nalor, 13 South Sunset, urged the Council to embark on a year long campaign to educate the public on the need for these projects. Councilman Dow indicated that although he had not been on the City Council during the four years of preparations for the bond issue he could understand the Council's disappointment at its failure. The problems are still with us. He stated that he was pleased with the turnout at this meeting and the comments made by the audience. He felt that although a majority of voters were not present the views expressed were indicative of the average voter's attitudes. Mrs. Carol Atkinson, 316 West Elm Street, questioned the wisdom of raising the library tax when our present library is adequate and the service is excellent. Councilman Culbertson answered that at twelve cents per one hundred dollars of assessed valuation it would take a long time to pay for a new library. He also argued that construction costs would go up so much in the meantime that we are better off financially to vote bonds and build the improvements now to have use of the new facilities while avoiding increased land and contract costs. Mr. Phillip Jolly, 300 Tamarack Drive, speculated as to how much people know about the inadequate fire house problem, the cramped police department

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quarters, and the need for additional park open space. He indicated that what we need to do is to take the next year to sell these issues and a second bond election will be a success. Mayor Katzakian concluded the special public hearing on the Capital Outlay Program by remarking that the questions and opinions expressed had helped him in his consideration of the future of the program. He stated that although he was disappointed by the results of the June 5th bond election he was pleased by the public response at this meeting. He felt that the citizens favor a pay-as-you-go program but that some of these projects may be resubmitted at a second bond election. He commented that it may mean increased service charges and property taxes will be necessary to finance the program. Lodi will never get as cheap a program as the one the voters rejected on June 5th.

CAPITAL
OUTLAY
BUDGET
62-63

City Manager Graves presented a revised proposal for the 1962-63 Capital Outlay Budget along with estimates of the monies available to finance the program. The Capital Outlay Budget included \$98,621 of appropriated carryover funds from projects budgeted in 1961-62 and \$321,570 of new projects for a total of \$420,191. The expected surplus of general fund revenues over operating expenditures for the year is \$271,943 to which we add \$55,000 in gas tax funds for a total of \$326,943 of "new" money available for the year. This would leave an unbudgeted reserve of only \$4,373. There is also estimated to be a surplus of \$11,635 in the Special Traffic Safety Fund and \$7,494 in the Motor Vehicle "In Lieu" Tax fund. These three unbudgeted surpluses total \$23,502 or less than 1% of the total budget that could be transferred to the general fund or capital outlay budget. This is very tight budgeting, much closer than we have budgeted in the past. One new fact is that for the first time in more than ten years we have no money left over to transfer into our Capital Outlay Reserve. The Capital Outlay Reserve balance will stand in the area of \$700,000 at the end of June 1963 if no unbudgeted projects are undertaken during the year. Councilman Culbertson moved to adopt the 1962-63 Capital Outlay Budget as proposed. Councilman Brown seconded the motion and it carried unanimously.

ADJOURNMENT

The City Council then adjourned on the motion of Councilman Culbertson, Dow second.


ATTEST: FRANK C. CARLTON
Deputy City Clerk